

MEMORANDUM FOR: THE DIRECTOR

Attached is a letter to the Joint Committee on Atomic Energy proposing an amendment to the Atomic Energy Act to provide for intelligence utilization of certain information. It will be noted that the limiting phrase "with the approval of the Commission," which qualifies the communication of information in the proposed amendment was inserted at the insistence of the Atomic Energy Commission

LAWRENCE R. HOUSTON  
General Counsel

24 June 1954

(DATE)

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JUN 25 1954

The Honorable W. Sterling Cole  
Chairman  
Joint Committee on Atomic Energy  
Congress of the United States  
Washington 25, D. C.

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Dear Mr. Chairman:

This Agency has carefully reviewed the proposals to amend the Atomic Energy Act of 1946 as contained in S.R. 8862 and S.3373, which are presently before your Committee. In the course of this review, we have discussed with the Atomic Energy Commission the relationship of the foreign intelligence responsibilities of AEC to the atomic energy program, and both we and the Commission agree that the present statutory restrictions on "Restricted Data" have created some confusion in connection with the receipt and utilization of intelligence information concerning foreign developments in the atomic energy field. We believe that this difficulty can be overcome by substituting the following language for the text of Section 1146(a), as contained in the Committee print of 21 May 1954:

"SEC. 1146 GENERAL PROVISIONS. —

a. Sections 1141 to 1145, inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of this section. The provisions of this Chapter shall not be construed as restricting or limiting the gathering, correlation, evaluation, and, with the approval of the Commission, communication of information concerning the atomic energy programs of other nations pursuant to Section 102(d) of the National Security Act of 1947."

The sole purpose of this amendment would be to resolve the doubt which has existed in the past as to whether the activities of this Agency, and other intelligence agencies acting in concert with it to carry out the provisions of Section 102(d) of the National Security

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Act of 1947, have in any way been in conflict with the controls and restrictions imposed by the Congress on the utilization of "Restricted Data." He believes that there was no intent in the Atomic Energy Act of 1946 in any way to restrict the intelligence components of the Government in the gathering, correlating, and evaluating of intelligence information concerning foreign developments in the field of atomic energy, and it is, therefore, proper to make this clear through legislative enactment.

Furthermore, the Atomic Energy Commission is in agreement that there is need, in the furtherance of the national intelligence mission, to exchange information respecting such foreign developments, under certain circumstances, including where appropriate and with the approval of the Commission, exchange with friendly foreign powers.

It has been our experience that the sum total of our knowledge regarding developments in the field of atomic energy by certain foreign powers, particularly by our chief competitor, can be increased by drawing upon the information other countries may be able to obtain regarding such development. This can only be realized by limited exchange with them of our own information on this same important subject.

It is believed that this is not in conflict with the intent of the Congress in the original Atomic Energy Commission legislation, but further legislative clarification is needed at this time and would be most helpful to us in our work.

Sincerely,

*WMD*  
William F. Dulles  
Director

*Hand carried by  
Legis. Counsel*

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Rewritten: GC:IRH:laq (25 Jun 54)  
Distribution:

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- 1 - Mr. R. Jones, Bureau of the Budget
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CONCUR:

Lawrence R. Houston  
General Counsel

*Note for Record: Mr. Dulles  
intends to give copies of  
this to 100 members  
at next meeting per AEA*